



ISSN: 0975-833X

RESEARCH ARTICLE

CRITICAL REVIEW ON LUXURY SALES TAX IMPOSITION PLANS FOR SMARTPHONE VIEWED FROM THE TAX COLLECTION PRINCIPLE

***Vierly Ananta Upa and Hananiel Mennoverdi Gunawan**

Fakultas Ekonomi, Universitas Pelita Harapan Surabaya

ARTICLE INFO

Article History:

Received 06th August, 2016
Received in revised form
03rd September, 2016
Accepted 10th October, 2016
Published online 30th November, 2016

Key words:

Luxury Goods Sales Tax (PPnBM),
Tax,
Smartphones.

ABSTRACT

The Indonesian government declared the imposition of Luxury Goods Sales Tax on luxury smartphones to reduce the number of imported luxury smartphones. Luxury smartphones will be charged at 20%. The criteria of luxury smartphones affected the imposition of luxury goods sales tax still and it is still under discussion by the government. The imposition of luxury goods sales tax plans on luxury smartphones also has reaped the reaction among the public. The purpose of this study is to conduct in-depth study on the imposition of luxury goods sales tax plan on smartphones related to the principles of taxation. The analysis is based on the principle of taxation theory endorsed by Adam Smith, namely the principle of equality, the principle of certainty, the principle of convenience, and the principles of efficiency. Through this study, it is expected to know whether a decent smartphone should be charged by luxury goods sales tax, and the impact that would arise if this plan is implemented. Methods of data analysis used in this study is to test the validity of the data, and the correlation of the test. The results of descriptive statistics indicate average value for all variables included in the adequate category. This indicates that most respondents shows a neutral response to the luxury goods sales tax imposition plan on smartphones.

Copyright©2016, Vierly Ananta Upa and Hananiel Mennoverdi Gunawan. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Citation: Vierly Ananta Upa and Hananiel Mennoverdi Gunawan, 2016. "Critical review on luxury sales tax imposition plans for smartphone viewed from the tax collection principle", *International Journal of Current Research*, 8, (11), 42491-42497.

INTRODUCTION

The high demand and lack of local manufacturers of smartphones in Indonesia, forcing the government to engage in smartphones import activities. According to the Statistics Central Agency (BPS), in January to June 2013 period, the value of imports of mobile phones, especially the high-tech, or often-called smartphones, ranks fifth, below the value of imports of oil and gas related products, which include motor vehicles, crude oil, diesel fuel for industry and other purposes. The increasing imports by Indonesia could impact on the trade balance. Indonesia's trade balance will encounter a deficit, which means the sum of imports are greater than the sum of exports. Therefore, one of the ways for the governments to reduce smartphone imports activities is to impose a tax on the sale of smartphones. Based on the Ministry of Finance's website, since 2013 the government launched the imposition on Luxury Goods Sales Tax on luxury smartphones to reduce the number of imports. Luxury smartphones will be charged at 20% by the criteria imposed PPnBM luxury smartphone is still under discussion by the government. However, the plan is still being discussed by several ministries, namely the the Ministry of Finance, the Ministry of Commerce, the Ministry of

Telecommunications, and the Ministry of Industry. This plan is still not yet to be ratified to become the government regulation. Some of the reasons are due to several matter things that must be taken into consideration and also the approval from several ministries are still pending before the plan can be implemented. Some ministries assume that the policy can bring a bad impact, because it will increase the thesmuggling of smartphones. Therefore, before the implementation of the Luxury Goods Sales Tax policies, it has to be balanced with other government regulations to overcome the rise of illegal smartphones.

The luxury goods sales tax imposition plan on any smartphone has drawn reactions among the public. According to Wardhani (2014), based on the conducted research on the community in Surabaya, the plan has developed some pros and cons. Some smartphones consumers are agreeing on the luxury goods sales tax imposition plan with the argument that the tax collected will be allocated to the development and improvement of the entire infrastructure and the welfare of the people of Indonesia. As for the smartphone consumers who are disagreeing consider a smartphone has become a basic need of society. Smartphones are means of communication and they do not need to be taxed. In addition, the smartphones are already imposed by imported goods tax, so they do not need an additional tax. Based on this argument, it is necessary to conduct a critical review regarding

***Corresponding author: Vierly Ananta Upa,**
Fakultas Ekonomi, Universitas Pelita Harapan Surabaya

the plan of imposing luxury goods sales tax to smartphones based on the tax collection principle

The purpose of this study include

- (1) To identify and analyze the relationship between the tax collection principles with the luxury goods sales tax imposition plans for smartphone products,
- (2) To identify the impacts that may arise if a smartphone products are subject to luxury goods sales tax,
- (3) To identify aspects that need to be considered in determining the type of smartphone that will be charged by luxury goods sales tax.

Literature review and hypothesis development

Luxury Goods Sales Tax

Luxury goods sales tax is an imposed tax on goods that are considered Luxury in Indonesia. Criteria for luxury goods according to Regulation no. 42 of 2009 regarding the third amendment to the regulation no. 8 of 1983 on value added tax on goods and services, and also luxury good sales tax, namely:

1. Goods that are not included in a basic need
2. Goods that are consumed by a particular group or community
3. In general, the goods are consumed by higher income group or community
4. The goods are consumed to indicate a status

When an item is included in the four criteria above, then the selected goods can be classified as Luxury taxable goods. It is mandatory that the goods will be imposed by the luxury goods sales tax. According to Waluyo (2010) the luxury goods sales tax characteristics, among others (Waluyo, 2010):

1. The imposition of the luxury goods sales tax occurs only once, that is during the delivery of goods from the businessman of the manufacturer or producer who produces Luxury taxable goods or during the import process, it is considered Luxury taxable goods.
2. It is necessary to control the consumption patterns on the Luxury taxable goods
3. The need for protection for the small traditional producers
4. The need for securing the revenue intake for the government, then during the process of delivery of Luxury taxable goods by the manufacturers or importers, there will be value added tax (VAT) and also luxury goods sales tax.

According to the regulation no. 42 of 2009 on third amendment to regulation no.8 of 1983 on Value Added Tax on Goods and Services and Luxury Goods Sales Tax, Sales Tax rates on Luxury Goods are as follows: (a) The lowest sales tax rate on luxury goods is 10% (ten percent) and the highest is 200% (two hundred percent), (b) Exports of luxury goods are taxed at the rate of 0% (zero percent). The Luxury goods sales tax rate are multiplied by the imposition of luxury sales tax base. Tax imposing base is the basis used for calculating the tax due, in the form of Sales Price Total, Import Value, Export Value, or other value specified by Ministry of Finance.

The imposition of Luxury goods sales tax plan on Smartphone in Indonesia

According to the Ministry of Finance website, the government is planning to impose the Luxury goods sales tax to the smartphones since the end of 2013. The imported Smartphone will be charged 20%, with the smartphone value criteria imposed by Luxury goods sales tax is still currently under discussion by the government. The government plans to impose the Luxury goods sales tax on the smartphone which valued more than three million rupiah or above five million rupiah. The government issued a discussion result based on several considerations. One of them is to reduce smartphone imports to Indonesia. Also, the government wants to attract foreign producers, especially those who manufacture smartphones, to enter Indonesia.

Principle of Tax Collection

Principle of taxation has been designed by some experts. The principles of taxation, as proposed by Adam Smith in his book "An Inquiry into the Nature and Cause of the Wealth of Nations" states that taxation should be based on several principles. Including Principles of Equality, Principles of Certainty, Principles of Convenience (timely tax collection) and Principles of Efficiency. The Principle of Equality (principle of balance with the ability or the principle of justice) is a principle which revealed that the tax collection by the government should be in accordance with the capabilities and income of the taxpayer. The government may not discriminate against a taxpayer. While the principle of Certainty (principle of legal certainty) is a principle which revealed that all taxation should be based on the regulation, so that those who violate the law will be sanctioned. The principle Convenience of Payment (principle of timely taxation process or principle of convenience) is a principle which revealed that the tax should be collected at the right time for taxpayers (the best time), for example when new taxpayer receives income or when the taxpayer receives a gift. The Principle of Efficiency (principle of efficient or economical principle) is a principle which revealed that the cost of tax collection process should be conducted as efficient as possible. Do not let the cost of tax collection is greater than the sum of tax collected (Suandy, 2006).

Previous Study

This research is using two main anchor research. Martinah (2014) examined the Indonesian Government Strategy in Facing Chinese Mobile Phone Products in Free Trade ACFTA (ASEAN - China Free Trade Area). This study wanted to examine the Indonesian government's strategy to face the Chinese mobile phone products. This research is a descriptive analysis using library research as data collection techniques. The results showed that the Indonesian government's strategy to face China's mobile products in free trade ACFTA is the application of Indonesian National Standard policy, Promoting the use of domestic products, imposing Luxury goods sales tax on smartphone products, and the application of the Minister of Trade of the Republic of Indonesia Regulation No.82/M-DAG/PER/12/2012 on provision cellular phone imports, Handheld Computers, and Tablet Computer. Pursuant to the imposition of luxury goods sales tax on mobile products, Martinah (2014) revealed that the government regulations to impose the luxury goods sale tax on cellular phone products

could make illegal smuggling even more widespread. This is due to the consumer demands on owning high technology cellular phone is increasing rapidly. The government should ensure in overcome the number of illegal cellular phone distribution significantly in order to implement the Luxury goods sales tax. Wardhani (2014) examined the perception of the individual taxpayer against the imposition of Luxury goods sales tax plan on luxury Mobile Phones. This study investigates and analyzes the perception of an individual taxpayer to the planned imposition of Sales Tax on luxury mobile phones. This research is a descriptive exploratory study, using questionnaires as data collection technique. Based on research on the community in Surabaya, Wardhani (2014) found that the plan has some pros and cons. Some smartphone consumers agree on the Luxury mobile phone sales tax imposition based on the tax levied will be expected to be allocated to develop and improve the entire infrastructure and the welfare of the people of Indonesia. As for smartphone consumers who disagree, considers a smartphone has become a basic need of society as a means of communication that does not need to be taxed. In addition, the smartphone is already imported goods tax and they do not need an additional tax.

RESEARCH METHODS

Research Procedure

The procedure will be performed in this study areas follows:

1. Problem Identification

The problem identification is the first step of the research. The Issue that will be examined is the dimension development and taxation principles indicators.

2. Research Objective Determination

Determination of research objectives aim the researchers to conduct the research on the right target. The purpose of this study is to evaluate and determine the specific dimensions of the principles of taxation and analyze the impact if the Luxury goods sales tax is applied to smartphones.

3. Data Collection

The data collection in this research is done by the study of literature, distributing questionnaires, and interviews.

Literature Study

Study of previous researches to support the objectives of the research. Sources of literature that will be used in this study came from books, journals, articles, government regulations, results of previous researches and other related data.

Questionnaire Distribution

The questionnaire distributed to the buyers and sellers of smartphones in Surabaya. The descriptive data that will be used are gender, age, education level, and duration of use/ sale of smartphones. Respondents are totaled 120 respondents which all respondents have a smartphone products.

Interviews

Interviews conducted in this research were to the tax practitioners and academics as well as the smartphone user

communit. This is conducted to explore the views of practitioners and the public on the imposition of Sales Tax plan in terms of the principles of taxation.

4. Data Processing and Analysis

The analysis technique used in this study is using Pearson Correlation. The study will use SPSS software.

5. Withdrawal Conclusion

Based on the data analysis results, it can be drawn a conclusion that will be able to answer the existing problem.

Research Sample and Location

The sampling technique used for the questionnaire is a non-probability sampling. The use of non-probability sampling technique is where not all members of the population have the same opportunities to become members of the sample. The sampling technique used is purposive sampling method. Respondents will be selected according to predetermined criteria, which are the smartphone sellers and users who own a smartphone. Distribution of questionnaires conducted in several shopping centers in Surabaya, namely Cito Mall, Marina Plaza, WTC, Ciputra World, Tunjungan Plaza, PTC, Hi-Tech Mall and Royal Plaza.

RESULTS AND DISCUSSION

An Overview of Research Subjects

The data collection is done by distributing questionnaires to the buyers and sellers of smartphones in Surabaya area, especially in several shopping center, namely Cito Mall, Plaza Marina, WTC, Ciputra World, Tunjungan Plaza, PTC, Hi-Tech Mall and Royal Plaza. These locations were chosen because these shopping centers have a lot of smartphone stores. Respondents' Criteria used in this research are smartphone buyers and sellers who own a smartphone. There were 200 questionnaires distributed, and 80 of them could not be used in this study.

Table 1. Questionnaires Distribution

Description	Amount	Percentage
Distributed questionnaires	200	100%
Questionnaires returned incomplete	(49)	(24.5%)
Questionnaires were unusable	(31)	(15.5%)
Total used questionnaire	120	60%

Source: Data Processed (2016)

Characteristics of Respondents

Gender

The gender of the respondents in the study were classified into two groups, namely women and men. For more details, it will be presented the characteristics of respondents by gender in the table below:

Table 2. Descriptive Data Gender respondents

Gender	Total	Percentage
Women	56	46,67%
Male	64	53,33%

Source: Data Processed (2016)

From 120 respondents, 56 respondents or 46.67% were female and 64 respondents or 53.33% were male. Based on this data, it can be concluded that the male respondents used in this study more is more dominant.

Age

The respondent’s characteristics description in their age gives an idea of the respondent’s age in this study. Below is the age distribution of respondents used in this study.

Table 3. Descriptive Data Age respondents

Age	Number	Percentage
17-25 yrs	53	44,17%
26-35 yrs	56	46,67%
36-45 yrs	9	7,5%
>45 yrs	2	1,67%

Source: Data Processed (2016)

Based on the above data, it can be seen that most of the respondents are in their 26-35 or 46.67%. This amount is not too obtrusive because it is not much different compared to the respondents aged 17-25 years or 44.17%. While respondents aged above 45 years only account for 2 people or 1.67%. Based on this data, it can be concluded that most respondents used in this study is aged between 17-35 years.

Last education

The education level indicates the level of knowledge owned by each respondents. In this study, the level of education of respondents can be classified into four parts. More details will be discussed in the table below:

Table 4. Respondents’ Education Descriptive Data

Education	Number	Percentage
Elementary, Junior High, High School	77	64,16%
Associate degree	20	16,67%
Bachelor’s degree	21	17,5%
Higher than Bachelor’s degree	2	1,67%

Source: Processed Data (2016)

Based on data from the above, it can be concluded that most respondents used in this study had a primary education level, junior high school totaling 77 respondents or 64.16%, and only two respondents who studied higher than Bachelor’s Degree or 1, 67%.

Duration of Smartphone usage

One of the characteristics of the respondent is that the duration of smartphone usage. The duration of smartphone usage can be seen in the following table.

Table 5. Respondents’ duration of Smartphone usage descriptive data

Duration of smartphone usage	Number	Percentage
<5 yrs	54	45%
5-10 yrs	34	28,33%
>10 yrs	21	17,5%
Not sure	11	9,17%

Source: Data Processed (2016)

Based on data collected, it can be seen that the majority of respondents who are using their smartphone less than five years are 54 respondents or 45%. While 34 respondents or 28.33% are the respondents who have been using a smartphone ranging from 5-10 years, and 21 respondents, or 17.5% have more than 10 years of smartphone usage. While 11 respondents or 9.17% answered that they do not know for sure of how long they have been using and owning a smartphone.

Descriptive Statistics

The first data processing conducted is to analyze the results of respondents' answers to each questionnaire statement, after knowing the characteristics of the respondent. The data processing is conducted on each variable based on the respondents’ statement whether they answer strongly disagree to strongly agree. Descriptive statistics were used to give an overview of the data in the study (Ghozali, 2006). The descriptive statistical results will be explained based on the calculation of the mean of each variable. The overview of the data through the mean can be categorized according to grade intervals that have been determined by the following formula (Suharyadi *et al.*, 2004): Each variable has a value of the average or mean that it will be categorized based on the interval and a description of each class. Limitation of the interval is using five Likert scale derived from the value added by the results of the class interval. The following are the categories and their interval values can be seen in Table 6

Table 6. Interval Category Value

Interval	Category	Description
1.00 - < 1.80	1	Very Low
1.80 - < 2.60	2	Low
2.60 - < 3.40	3	Adequate
3.40 - < 4.20	4	High
4.20 - < 5.00	5	Very High

Source: Processed Data (2016)

Descriptive Statistics on Sales Tax Imposition Plan on Smartphone Variable

The imposition of sales tax on luxury goods plan Variable is measured using three indicators, namely criteria, rates, and potential impact. The results of descriptive statistics variables luxury goods sales tax imposition plans on smartphones presented in Table 7 below.

Table 7. Descriptive Statistics Results on Luxury Goods Sales Tax plan on smartphone variable

No	Statement	Mean
1	Above 5.000.000 IDR smartphone should be imposed by the Luxury goods sales tax.	3,02
2	The Luxury goods sales tax for smartphone is 20%	2,63
3	The Luxury goods sales tax rate should be based on the type and price of the luxury smartphone	3,33
4	The imposition of luxury goods sales tax on smartphone will initiate local manufacturers to grow	3,31
5	The smartphone sellers and buyers are aware of the type of tax levied on luxury smartphone	3,14
6	Not only above 5.000.000 IDR smartphone that should be imposed to the luxury goods sales tax, but the below 5.000.000 IDR also be imposed.	3,18
7	The discourse of the luxury goods sales tax imposition needs to be re-examined because it can trigger increasing illegal smartphones.	3,36
8	In my opinion, the ideal smartphone to be imposed by luxury goods sales tax is only imported smartphone	3,24
	Total	3,10

Source: Processed Data (2016)

Descriptive statistics results indicate the average value on the luxury goods sales tax imposition plan on smartphone variable, and it reached 3.10, which is included in the adequate category. This indicates that most respondents give neutral response to the planned imposition of Sales Tax on the smartphone. This condition is caused by some of the respondents agree, while some did not approve it. When we viewed in detail in the criteria indicator, respondents tended to agree with the imposition of Sales Tax on imports smartphone as indicated by the highest mean value in the indicator, which is 3.24. As for the criteria for the smartphone that will be included and imposed by the luxury goods sales tax, the respondents feel neutral. When viewed from the fare indicator, respondents tended to agree with the imposition of Sales Tax on the smartphone depending on the type of the smartphone and the selling price. This is indicated by the highest mean value of the indicator, which is 3.33. As for the 20% luxury goods sales tax tariff plan, respondents tend not to approve. If we look at the potential impact, respondents tended to agree with the idea that if the imposition of Sales Tax on smartphones will trigger the growth of illegal distribution of smartphone. This can be seen by the highest mean value of 3.36.

Descriptive Statistics Principles of Tax Collection Variable

The principles of taxation variable is measured using four indicators, namely the convenience of payment principle, the principle of equality, the principle of convenience, and the principle of efficiency. Following are the results of the descriptive statistics for each indicator.

The Convenience of Payment principle

The principle Convenience of Payment (principle of taxation timely or principle of convenience) is a principle which revealed that the tax should be levied at the right time for taxpayers (the best time), for example when new taxpayer receives income or when the taxpayer receives a gift. Descriptive statistical results on the convenience of payment principles are presented in Table 8 below

Table 8. Descriptive Statistic Result on Convenience of Payment Principles

No	Statement	Mean
1	As a smartphone consumer, I can afford to pay the luxury goods sales tax that will be imposed to the luxury smartphones	2,92
2	As a smartphone consumers, I can afford to pay the luxury goods sales tax at the right time, which is at the time of transaction	2,92
3	I believe that the luxury goods sales tax imposition plan on luxury smartphones will be levied in accordance with the situation of the seller, revenue, and seller's risks	3,07
4	I believe that the luxury goods sales tax imposition plan on luxury smartphones will be levied in accordance with the situation of the buyer	3,05
Total		2,99

Source: Processed Data (2016)

Descriptive statistical results shows the mean value for the convenience of payment principles is 2.99, which is included in the adequate category. This indicates that most respondents indicate a neutral response to the convenience of payment principle. When viewed in detail, the highest mean score of 3.07. This indicates that respondents tend to have confidence that the imposition of Sales Tax on smartphones will consider the circumstances and situation of the taxpayer. However, on

the other hand respondents tend to doubt that taxpayers can pay the luxury goods sales tax on smartphones on the future provision. This is shown by the mean value of 2.92.

Equality principle

Equality principle (principle of the balance with the ability or the principle of justice) is a principle which revealed that the tax collection by the government should be in accordance with the capabilities and income of the taxpayer. The statistical results for equality principle are presented in Table 9 below.

Table 9. Descriptive Statistics Results for Equality Principles

No	Statement	Mean
1	The imposition of luxury goods sales tax on smartphones will burden the buyers and sellers	3,13
2	In my opinion, the imposition of luxury goods sales tax on smartphones is quite fair	3,00
3	The payment of the luxury goods sales tax will not make any damages to my financials	3,00
4	I believe that the imposition of luxury goods sales tax on smartphones that will be imposed and be used fully for the prosperity of the people	2,93
5	I believe that the imposition of luxury goods sales tax on luxury smartphones will create a better income distribution impact	2,97
Total		3,01

Source: Processed Data (2016)

The descriptive statistics results indicate that the mean value of equality principle is 3.01, which is included in the adequate category. This indicates that most respondents shows a neutral response to the equality principle. When viewed in detail, the highest mean score is 3.13. This indicates that respondents tend to agree that the imposition of Sales Tax on smartphones will burden on sellers and buyers. In the other hand, the respondents tend to doubt that the imposition of luxury goods sales tax on smartphones levied on buying or selling smartphone will be used for the people's wealth and income distribution. It is shown by the mean value of 2.93 and 2.97.

Certainty principle

Certainty principle (principle of legal certainty) is a principle which revealed that all taxation should be based on the law, so that those who violate the law will be sanctioned. The descriptive statistics results on certainty principles are presented in Table 10 below.

Table 10. Results Descriptive Statistics Principles Certainty

No	Statement	Mean
1	The provisions and rules related to the luxury goods sales tax on smartphones must be as clear as possible so that this can be understood by the sellers and buyers	3,71
2	The regulations and other governments provisions will be my guidance in collecting the luxury goods sales tax on luxury smartphones	3,23
3	The discourse of the luxury goods sales tax that will become effective (so all the luxury smartphones will be imposed by the luxury goods sales tax)	3,02
Total		3,32

Source: Processed Data (2016)

The descriptive statistics results indicate the mean value for certainty principle reached 3.32, which is included in the adequate category. This indicates that most respondents shows

a neutral response to the principle of certainty. When viewed in detail, the highest mean score of 3.71. This indicates that respondents tend to agree that the provisions and rules related to Sales Tax on smartphones should be clear and understandable.

Efficiency principle

Efficiency principle (principle of efficient or economical principle) is a principle which revealed that the cost of tax collection should be conducted as efficient as possible. It should not let the cost of tax collection is bigger than the tax collection revenue. Descriptive statistics results of the efficiency principle presented in Table 11 below.

Table 11. Descriptive Statistics Results on Efficiency Principles

No	Pernyataan	Mean
	I believe that the luxury goods sales tax for the luxury mobile phones will be carried away as efficient as possible, so that the tax collection cost will not exceed the tax collection received.	3,09
	Total	3,09

Source: Processed Data (2016)

Results The descriptive statistics indicate value- average principle certainty reached 3.09, which is included in the category enough. This indicates that most respondents indicate a neutral response to the principle of efficiency. When viewed in detail the respondents tend to agree that the collection of Sales Tax on buy ingor selling smart pone will be carried out efficiently.

Correlation Test Results

Correlation test aims to determine whether there is a relationship between variables (Ghozali, 2006). A variable is correlated with other variables if $\text{sig} < 0.05$. Below is a Table 12 which consist of the results of the correlation. SPSS output results can be found in the Appendix.

Table 12. Correlation Test Results

	Convenience	Equality	Certainty	Efficiency
Plan (sig)	0,105	0,004	0,000	0,103

Source: processed data (2016)

Based on these test results, the principle of equality and the principle certainty have a significance value < 0.005 . While the principles of convenience and efficiency principles have a significance value > 0.005 . Based on this data, the principle of equality and the principle certainty have a relationship with the imposition of luxury goods sales tax plan on smart phones.

DISCUSSION

The test results of statistical data shows that the principle of equality and the principle certainty have a relationship with the imposition of Sales Tax plan on smart phones. Under the second conditions, in considering the imposition of Sales Tax plan on smart phones should consider both of these principles. Equality principle (principle of balance with the ability or the principle of justice) is a principle which revealed that the tax collection by the government should be in accordance with the capabilities and income of the taxpayer. The government may not discriminate against a taxpayer.

While the principle of Certainty (principle of legal certainty) is a principle which revealed that all taxation should be based on the law, so that those who violate the law will be sanctioned. In considering the application of the imposition of Sales Tax on luxury smartphone, the Government should consider the principle of equality. The imposition of sales tax on luxury goods will be accepted by the public if the policy is not considered as discriminatory. The decision of goods smartphone value is the main key to fulfil the principle of equality. The characteristics of certain items can be considered as from several things. In the regulation of VAT Act 1984 in the explanation of Article 5 paragraph 1 stated taxable goods is classified as a luxury, if:

1. The goods are not a basic need
2. The goods are consumed by a particular community
3. The goods are generally consumed by high-income people, and / or
4. The Goods are consumed to indicate a status

In addition to the principle of equality, in considering the application of the imposition of Sales Tax on luxury smartphone, the Government should also consider the principle of certainty. The imposition of sales tax on luxury goods will be accepted by the public if the policy has legal certainty. Until now the policy on governing the imposition of Sales Tax on luxury smartphone has not been set, so until now, it does not have a clear legal certainty. If the government plans to enforce it, then the Government should regulate it as clear and as detailed as possible. The implementation of the of luxury goods sales tax imposition on luxury smartphone can create several impacts to multiple parties. For sellers and buyers, the application of this provision could have an impact on the sales volume of the luxury smartphone. Total sales of luxury smartphone can be reduced because consumers will be reluctant to buy a luxury smatphone in which the price is higher. It will also have an impact on the sellers. Revenue from the sale of luxury smartphone will decline. From the government side, the implementation of the imposition of luxury goods sales tax will have an impact on total imports of Indonesia. If the public is interest to use luxury smartphone is decreased, then the total amount of import of such goods will also be reduced.

Conclusions and Recommendations

Conclusion

The descriptive statistics results indicate the mean variable luxury goods sales tax plan imposition on smartphones included in the adequate category. This indicates that most respondents indicate a neutral response to the planned imposition of Sales Tax on the smartphone. Based on criteria indicators, respondents tended to agree with the imposition of Sales Tax on import of smartphones, while the smartphone price criteria which will be imposed by the luxury goods sales tax plan, respondents tended to be neutral. Based on the rate indicator, respondents tended to agree with the imposition of Sales Tax on the smartphone depending on the type and the selling price, whereas the 20% tariff plan on the luxury goods sales tax, respondents tend not approve. Based on indicators of potential impact, respondents tended to agree with the imposition of Sales Tax on smartphones will trigger the growth of illegal smartphone distribution. The results of descriptive statistics also show the mean value on the convenience of

payment principles and this would be included in the adequate category. This indicates that most respondents indicate a neutral response to the convenience of payment principle. Respondents tended to have confidence that the imposition of Sales Tax on smartphones will have to consider the circumstances and the situations of the taxpayer. However, on the other hand, respondents tend to doubt that they can pay the luxury goods sales tax plan on smartphones with the future provisions. The results of descriptive statistics indicate the mean value one quality principle and it is included in the adequate category. This indicates that most respondents show a neutral response to the principle of equality. Respondents tended to agree that the imposition of Sales Tax on smartphones will burden sellers and buyers. In addition, respondents on the other hand tend to doubt that the luxury goods sales tax plan levied on buying or selling smartphone will be used for the people's wealth and income distribution. The results of descriptive statistics indicate average value on certainty principle and it is included in the adequate category. This indicates that most respondents show a neutral response to the principle of certainty. Respondents tended to agree that the provisions and rules related to Sales Tax on the smartphone will be as clear and as understandable as possible. The results of descriptive statistics indicate average value on efficiency principle and this is included in the adequate category. This indicates that most respondents show a neutral response to the principle of efficiency. Respondents tended to agree that the collection of Sales Tax on buying or selling Smartphone will be carried out as efficient as

The test results of statistical data shows that the principle of equality and the principle certainty have a relationship with the imposition of Sales Tax on a smartphone plan. Under these conditions, in considering the imposition of Sales Tax on Smartphone plans should consider both of these principles. In considering the application of the imposition of Sales Tax on luxury smartphone, the Government should consider the principle of equality. The imposition of sales tax on luxury goods will be accepted by the public if the policy is not considered discriminatory. In addition to the principle of equality, in considering the application of the imposition of Sales Tax on luxury smartphone, the Government should also consider the principle of certainty. The imposition of sales tax on luxury goods will be accepted by the public if the policy has legal certainty. The implementation of luxury goods sales tax imposition on luxury smartphone can affect multiple parties. For sellers and buyers, the application of this provision could have an impact on the sales volume of luxury smartphone. Total sales of luxury smartphone can decrease because consumers will be reluctant to buy a luxury smartphone where the price is higher due to tax. It will also have an impact on the seller. Revenue from the sale of luxury smartphone will decline. From the government side, the implementation of the imposition of sales tax on luxury will have an impact on total imports of Indonesia. If the public interest to use a luxury

smartphone is reduced, then the amount of import of such goods will also be reduced.

Suggestion

The result of the study provide implications for the government, especially the Internal Revenue Service or Directorate General of Taxes to undertake an exhaustive review of the planned imposition of Sales Tax on smartphone product associated with the principles of taxation. It is expected that the imposition of Sales Tax on smartphone product will have fulfilled the principles of taxation. This will make the people to feel a sense of advantage by the implementation of the new regulations. In addition, deeper statistical data process is needed in order to maximize the implications for stakeholders.

REFERENCES

- Evina, Sutra., Lili Syafitri, Cherrya Dhia Wenny. 2014. *Pengaruh Pengenaan Pajak Penjualan atas Kendaraan Bermotor Roda Dua terhadap Daya Beli Konsumen di Kota Palembang*. Diakses pada 24 April 2016. <http://eprints.mdp.ac.id/1815/1/jurnal%20sutra%20evina.pdf>
- Ghozali, Imam. 2006. *Aplikasi Analisis Multivariate Dengan Program SPSS*. Semarang : Badan Penerbit Undip
- Kementerian Keuangan. 2014. *Kajian Pengenaan Pajak Penjualan Atas Barang Mewah Atas Smartphone*. <http://www.kemenkeu.go.id/sites/default/files/Kajian%20PnBM%20atas%20HP.pdf>
- Kountur, R. 2007. *Metode Penelitian*. Jakarta: PPM.
- Martinah. 2014. *Strategi Pemerintah Indonesia Menghadapi Produk Handphone China Dalam Perdagangan Bebas ACFTA (ASEAN- China Free Trade Area)*. eJournal Ilmu Hubungan International Vol. 4 No. 2.
- Nazir, M. 2005. *Metode Penelitian*. Jakarta: Ghalia Indonesia.
- Sambur, Noviane Claudya Pingkan, Jullie J. Sondakh, dan Hariyanto Sabijono. 2015. *Analisis Pengaruh Pajak Pertambahan Nilai dan Pajak Penjualan terhadap Daya Beli Konsumen Kendaraan Bermotor*. Jurnal Berkala Ilmiah Efisiensi. Vol. 15 No. 5.
- Silalahi, U. 2010. *Metode Penelitian Sosial*. Bandung: PT Refika Aditama.
- Suandy, E. 2006. *Perpajakan*. Jakarta: Salemba Empat.
- Thohari, A. Ahsin. 2011. *Epistemologi Pajak, Perspektif Hukum Tata Negara* Jurnal Legislasi Indonesia, Vol. 8, No. 1.
- Undang-undang Republik Indonesia No. 42 Tahun 2009 tentang Perubahan Ketiga Atas Undang-undang Nomor 8 Tahun 1983 tentang Pajak Pertambahan Nilai Barang dan Jasa dan Pajak Penjualan Atas Barang Mewah.
- Waluyo, 2010. *Perpajakan Indonesia*. Jakarta: Salemba Empat.
- Wardhani, Nancy Puspita, 2014. *Persepsi Wajib Pajak Orang Pribadi Terhadap Rencana Pengenaan PPnBM Atas Telepon Genggam Mewah*. Diakses 4 April 2016. <http://dspace.uhsurabaya.ac.id:8080/xmlui/handle/123456789/352>
